REMARKS

Claims 1, 3-7, 9-12, and 14-22 remain pending in this application. Reconsideration and re-examination is respectfully requested.

Rejections Under 35 U.S.C. § 103

The Office Action rejected claim 12 under 35 U.S.C. §103(a) as unpatentable over Pare, Jr., et al. ("Pare") (U.S. Patent No. 6,230,148) in view of Randle et al. ("Randle") (U.S. Patent No. 5, 974,146).

The Office Action rejected claims 1-4, 14-15, and 21-22 under 35 U.S.C. §103(a) as unpatentable over Pare, Jr. et al. (U.S. Patent No. 6,230,148) in view of Randle et al. (U.S. Patent No. 5,974,146) and further in view of Simonoff ("Simonoff")(U.S. Patent No. 6,611,351).

The Office Action rejected claims 5, 7, 9-10, and 16-19 under 35 U.S.C. §103(a) as unpatentable over Pare, Jr. et al. (U.S. Patent No. 6,230,148) in view of Carlson et al. (U.S. Patent No. 5,053,607) and further in view of Hills et al. ("Hills") (U.S. Patent No. 6,164,528).

The Office Action rejected claim 6 under 35 U.S.C. §103(a) as unpatentable over Pare, Jr. et al. (U.S. Patent No. 6,230,148) in view of Hills et al. (U.S. Patent No. 6,164,528) and further in view of Randle et al. (U.S. Patent No. 5,974,146) and further in view of Simonoff ("Simonoff")(U.S. Patent No. 6,611,351).

The Office Action rejected claim 11 under 35 U.S.C. §103(a) as unpatentable over Pare, Jr. et al. (U.S. Patent No. 6,230,148) in view of the general knowledge of one of ordinary skill in the art.

Applicants respectfully traverse each and every one of these rejections in their entirety.

The Office has the burden under 35 U.S.C. 103 to establish a *prima facie* case of obviousness. *In re Piasecki*, 745 F.2d 1468, 1471-72, 223 USPQ 785, 787 (Fed. Cir. 1984).

To establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974).

Applicants submit that the combination of Pare, Carlson, Randle, Simonoff, and Hills does not teach or suggest every claimed limitation. Thus, even assuming that Pare, Carlson, Randle, Simonoff, and Hills can be combined as suggested in the Office Action, Applicants submit that the combination does not teach or suggest all the limitations of the claimed invention.

Pare teaches a system for performing (1) tokenless (e.g., paperless) authorization of an electronic check (2) over a network (3) using biometric identification of the payor and payee (4) where a third party verification system receives transaction information and (5) verifies the biometric information and (6) and the transaction amount is credited to the payee's account. (Col. 4, lines 2-61).

Carlson teaches a point-of-sale device including (1) a slot through which to insert and slide a negotiable instrument (i.e., check), (2) a moving mechanism for moving the negotiable instrument across the slot, (3) a read head to read the negotiable instrument as it slides through the slot, and (4) a printing mechanism for printing on the rear side of the negotiable instrument as it slides across the slot. (Col. 3, lines 40-53; Col. 4, lines 29-57; Col. 7, lines 40-57).

Randle teaches an electronic bill presentment and payment system in which (1) a merchant sends a bill to the merchant's financial service provider, (2) the merchant's financial

service provider sends the bills to the customer's financial service provider, (3) the customer's financial service provider places the bill in the customer's billbox (5) from where the customer may electronically access, approve and pay the bill. (Col. 9, lines 1-22).

Simonoff teaches a computer-based method for encoding and printing checks on blank paper. (Col. 2, lines 49-55).

Lastly, Hills teaches a paperless point of sale system that (1) reads information from a customers's check or credit card, (2) debits the consumer's account, and (3) credits the merchant's account for the goods and services provided. The system verifies the consumer's credit worthiness, and stores the transaction event information for subsequent bank reconciliation.

The present invention provides a system for performing online transactions using checks. In the claimed online transaction system (1) the client system places an order with an online merchant system over a network, (2) the client system selects a method of payment (i.e., by check), (3) the client system is connected to a check server, (4) the client enters personal identification information, (5) the check server transmits this information to a verification system, (6) the verification system issues an approval or denial of the check, (7) if an approval is sent, then the check server forwards the approval to the merchant system and stores the approval, (8) the merchant system sends an acknowledge message to the check server, (9) a check is printed at the merchant system.

Thus, Applicants submit that the following claimed limitations are not taught by the combination of Pare, Carlson, Randle, Simonoff, and Hills:

"printing a check at a location remote from the client computer" (Claim 1).

"printing a check with a secure printer connected to the check printing station at the location remote from the client computer" (Claim 6).

"printing a check at a location remote from the client computer." (Claim 11 and 12).

"a check being printed by the printer" (Claim 16).

"generating a paper check with a secure printer at a location remote from the client computer." (Claim 22).

"presenting the paper check for payment" (Claims 21 and 22).

Independent claims 1, 6, 11, 12, 16, and 22 all substantively or literally recite "printing a check at a location remote from the client computer."

The Final Office Action admits that Pare fails to teach this limitation but alleges that Simonoff (Figure 2) teaches a check printer. (Final Office Action 3-11-04, page 4). Applicants submit that Simonoff fails to teach that such check printer should be located at a remote location with the merchant server. From the information and contents shown in Figures 1 and 2 of Simonoff, it appears that the printer in Simonoff is employed by payors not payees. There is no teaching or suggestion that such printer should be located, at the merchant (payee) end. In fact, the cited prior art teaches methods for electronic (paperless) financial transactions, not for printing checks. The mere teaching of the printer in Simonoff does not teach that such printer should be located at the merchant side. Simonoff simply does not teach that a check printer should be used at a remote location to generate a new check where the customer's check is unavailable.

Applicants request that this rejection be withdrawn and all claims allowed.

Independent claims 1 and 22 further recite "presenting the paper check for payment."

The Final Office Action cites to Pare (Figure 7) as teaching "presenting the paper check for payment." However, such teaching or suggestion is not found in Pare or any of the other cited references. In particular, Figure 7 in Pare fails to illustrate that paper checks are submitted for payment. All Figure 7 shows is that checks are returned to a data processing center. Pare

appears to teach that the checks in Figure 7 are electronic checks, not paper checks. (Col. 8, lines 43-49). This is inconsistent with "presenting a paper check for payment."

Pare further teaches that "an electronic check is issued without the payor presenting any personalized man-made tokens such as paper checks ... to transfer funds from the payor's checking account to the payee's financial account." (Col. 4, lines 28-33). Like all other references cited, Pare teaches electronic financial transactions and teaches away from paper-based transactions. Under Pare, all transactions are completed electronically and there is no need to submit a paper check for payment as claimed.

Applicants submit that Pare, and the other cited references fail to teach or suggest the claimed electronic transaction between a client and merchant server, that is verified by a check server, where a paper check is printed at the merchant's remote location. Such claimed method and system is simply inconsistent with the nature of fully automated electronic transaction processing taught in the prior art.

Because this claimed limitation is missing from the prior art, Applicants request that this rejection be withdrawn and the claims allowed.

Furthermore, there is no motivation to combine the references as suggested in the Office Action.

"In determining the propriety of the Patent Office case for obviousness in the first instance, it is necessary to ascertain whether or not the reference teachings would appear to be sufficient for one of ordinary skill in the relevant art having the reference before him to make the proposed substitution, combination, or other modification." *In re Linter*, 458 F.2d 1013, 1016, 173 USPQ 560, 562 (CCPA 1972).

In response to Applicants' previous argument that there is no motivation to combine the cited references, the Final Office Action cites *In re Fine*, 837 F.2d 1071 and *In re Jones*, 958 F.2d 347. Since the cited prior art does not explicitly provide a motivation to combine the claimed elements, the Office Action appears to rely on the knowledge generally available to one of ordinary skill in the art and the fact that "the cited references deal with the subject of secure transactions." (Final Office Action 3/11/04, page 2, last paragraph).

The Office Action ignores the fact that several of the cited references teach away from the claimed invention, and none of the cited references suggest the desirability, or even feasibility, of printing and verifying checks over a network.

For instance, Pare explicitly recites "a method and device for tokenless authorization of an electronic check between a payor and a payee." (Col. 4, lines 1-3). Additionally, Pare states "the substantial manufacturing and distributing costs of issuing and reissuing all personalized tokens such as paper checks ... will be eliminated." (Col. 5, lines 22-39) Thus, Pare explicitly teaches away from printing checks. A person of ordinary skill in the art would not have combined Pare with the other prior art to obtain a system using a check printer at the merchant server, as claimed in the present application.

Hills teaches away from the invention when it states "[t]he invention eliminates the need for paper checks with all bank reconciliation being accomplished electronically." (Abstract, lines 14-16) Hills also states "there is no need for the present system to retain the consumer's check after verification." (Abstract") Thus, Hills explicitly teaches away from using a check printer as claimed.

Similarly, Carlson and Randle teach the advantages of electronic payment processing and do not teach or suggest why a printed check would be desirable. The cited references simply teach the advantages of electronic payment transactions and make no mention of a check printer at the merchant server. As such, a person of ordinary skill in the art would not have been motivated to combine the teachings of Carlson and Randle with a check printer to come up with the invention claimed in the present application.

Lastly, Simonoff teaches an improved method for accurately and correctly encoding and printing complete checks on blank paper sheets. He teaches nothing more than a check printer. The Final Office Action states "Pare Jr. et al. ('148) does not explicitly disclose printing a check. Simonoff ('351) discloses printing a check. (Figure 2) It would be obvious to one having ordinary skill in the art at the time the invention was made to combine the Pare Jr. et al. ('148) method with Simonoff ('351) method in order to allow the seller to generate physical proof of the transaction." (Page 4, Para. 2).

Applicants submit that such reasoning relies on hindsight. There is no independent suggestion that would guide a person of ordinary skill in the art to add a check printer at a remote merchant server as claimed. As noted above, the cited references teach the advantages of electronic transactions and explicitly discourage printing checks. Prior to Applicants' invention there was no motivation to combine a check verification system with a check printer at the merchant server. Thus, a person of ordinary skill in the art would not be motivated by the art of record to place a check printer at a remote merchant server.

Moreover, there is no motivation to combine the limitation of "presenting the paper check for payment" (claims 21-22) with the electronic transaction systems taught in the prior art. As noted, the claimed limitation is not found in Pare or any of the other cited references. In particular, Pare and the other cited prior art teach methods and systems for conducting electronic, paperless transactions. Presenting a paper check for payment, as claimed, is inconsistent with the nature of fully automated electronic transaction processing taught in the prior art. The Final Office Action also fails to provide any reasoning as to how the prior art motivates a person of ordinary skill to combine an electronic transaction method with a paper check method as claimed.

The Office Action appears to improperly rely on hindsight to combine the claimed elements. None of the cited prior art references teach, and the general knowledge of one skilled in the art does not suggest, the desirability of first verifying a customer's ability to pay for a transaction and then printing or generating a paper check at a remote location (i.e., merchant system) that may then be presented as payment by the merchant. Such architecture is completely

missing from the cited references which teach electronic payment systems in contrast to the claimed invention which provides funds verification or guarantee of payment followed by printing of a paper check that a merchant may redeem or deposit at a bank or other locations.

For the reasons set forth above, Applicants submit that prima facie obviousness has not been established. The prior art of record does not teach or suggest every element of the claimed invention. Furthermore, there is no motivation to combine the prior art as suggested in the Office Action.

For at least the reasons discussed above, Applicants submit that the invention recited in claims 1, 3-7, 9-12, and 14-22 is patentable over the prior art. Applicants respectfully request that all the rejections be withdrawn and this application passed to allowance.

Conclusion

In view of the amendments and remarks made above, it is respectfully submitted that the pending claims are in condition for allowance. Such action is respectfully solicited. Authorization is hereby given to charge our Deposit Account No. 19-2814 for any charges that may be due. If an extension is required, then Applicants hereby request such an extension.

Respectfully submitted,

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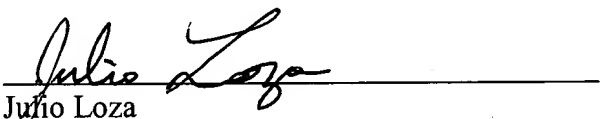

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